

**ANNUAL REPORT 2018**

# **THE EIB OUTSIDE THE EUROPEAN UNION**

**FINANCING WITH  
GLOBAL IMPACT**



**European  
Investment  
Bank**

*The EIB bank* 



**EUROPEAN INVESTMENT BANK**

**ANNUAL REPORT 2018**

**THE EIB OUTSIDE  
THE EUROPEAN  
UNION  
FINANCING WITH  
GLOBAL IMPACT**

## **The EIB outside the European Union**

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Flowers from around the world decorate the covers of the European Investment Bank's main publications in 2019. Flowers remind us of life's diversity and beauty, and reinforce the importance of protecting our natural environment.

This report has been written with the active assistance of many individuals in the operational and internal divisions of the EIB. Our sincere thanks go to all of them for their support.

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The Ouarzazate solar energy project in Morocco



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# ABOUT THIS REPORT



**The connections between the economies of Europe and the rest of the world are increasingly close.** The European Investment Bank contributes to this relationship with its continued commitment to a multitude of projects outside the European Union. As the world's largest multinational lender, the EIB's international financial operations help address imbalances and establish closer collaborative partnerships, stimulate a stable and open world economy and enable the cross-pollination of expertise and technologies. **This report provides a broad overview of the EIB's work over the past year in countries outside the European Union.**

**Our work centres on the key economic issues facing the globe.** With ever more evidence of the consequences of climate change, it has become increasingly apparent that nations need to act cooperatively and collaboratively to fight its devastating impact. The EIB has demonstrated its leadership role in the provision of innovative finance to mitigate climate change. The EIB is also proactive in financing initiatives to develop industry, innovation and infrastructure, so that economies around the world might converge. The EIB's international presence creates jobs, cheaper and cleaner energy, greater gender equality, effective coordination between governments, greater regional integration and a positive impact overall on the global economy.

This report demonstrates that all this is done in an ethical, accountable and transparent manner. Above all, it highlights that EIB projects always aim for maximum impact on the ground for the benefit of people throughout the world.

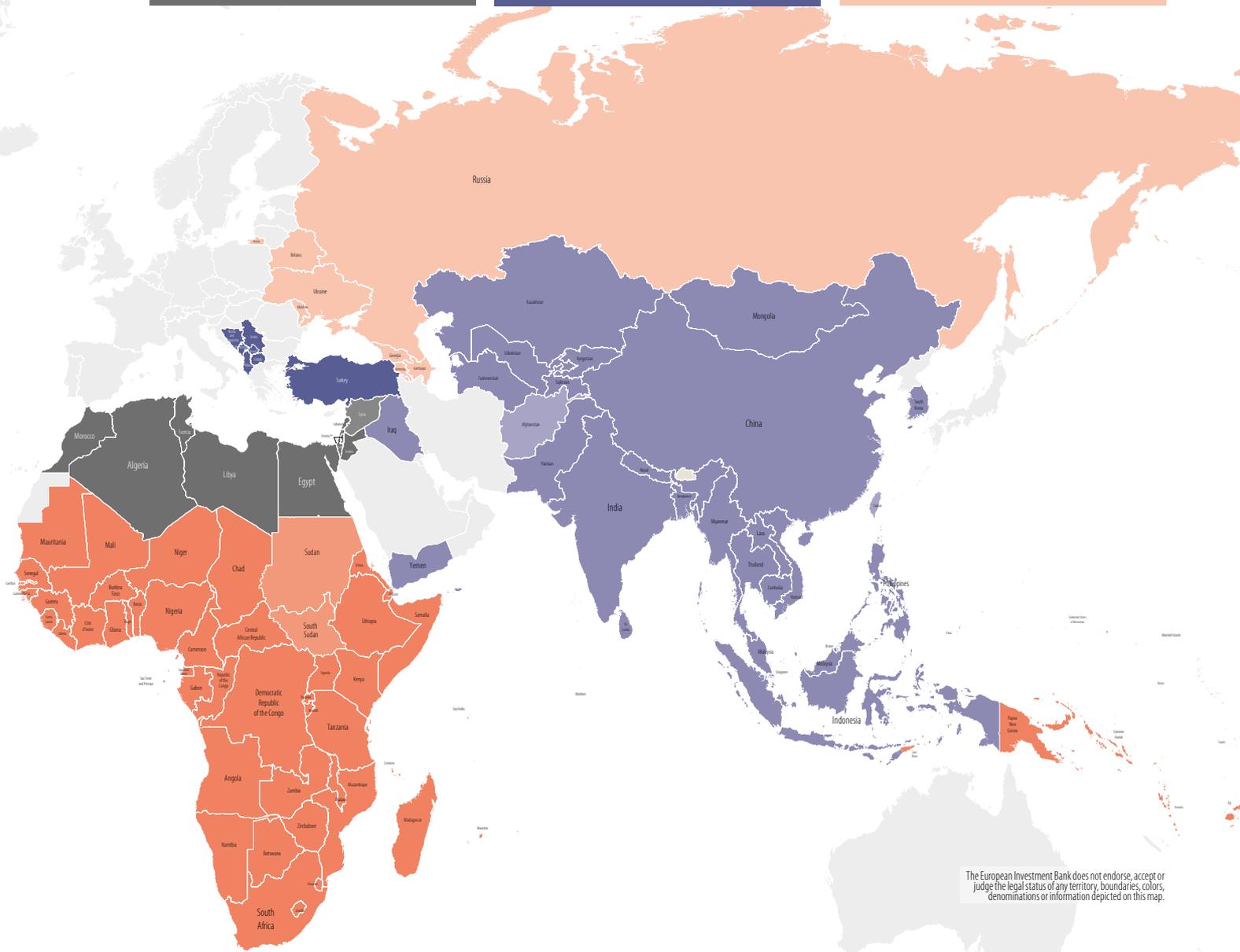


## NEW PROJECTS BY REGION<sup>2</sup>

Southern Neighbours  
**16 NEW PROJECTS**  
**EUR 2.58bn**

Pre-Accession Countries  
**13 NEW PROJECTS**  
**EUR 2.06bn**

Eastern Neighbours  
**8 NEW PROJECTS**  
**EUR 739m**



The European Investment Bank does not endorse, accept or judge the legal status of any territory, boundaries, colors, denominations or information depicted on this map.

African, Caribbean and Pacific countries  
**48 NEW PROJECTS**  
**EUR 1.71bn**

Asia and Latin America  
**23 NEW PROJECTS**  
**EUR 1.96bn**

## NEW LENDING BY MANDATE OBJECTIVE<sup>3</sup>

Social and economic  
infrastructure

**EUR 6.4bn**

Through **68 projects**

Providing  
**essential services**  
in sectors such as energy,  
transport, water, education and  
health

Local private sector  
development

**EUR 2.6bn**

Through **45 projects**

Enhancing  
**access to finance**  
particularly for SMEs and  
microenterprises

<sup>3</sup> Many projects support more than one objective. Climate action and regional integration are cross-cutting objectives. Contributions to each objective by project are shown on page 64.

Climate change mitigation and  
adaptation

**EUR 3.3bn**

Through **73 projects**

Investing in a  
**low-carbon economy**  
and climate resilience

Regional integration

**EUR 2.5bn**

Through **20 projects**

**Strengthening links**  
among partner countries and  
with the European Union

# OUR IMPACT

We use our Results Measurement Framework to track the results of the projects we support outside the European Union. This demonstrates the impact EIB involvement can have on achieving EU and country objectives and the UN Sustainable Development Goals.

## EXPECTED RESULTS OF NEW PROJECTS IN 2018



**11.7**  
**million people**  
benefiting from improved  
water supply and sanitation



**5.2 million tonnes**  
carried per year by rail and inland  
waterways

**5.6 million hours**  
cut from road journey times

**2.8 million people**  
accessing mobile internet



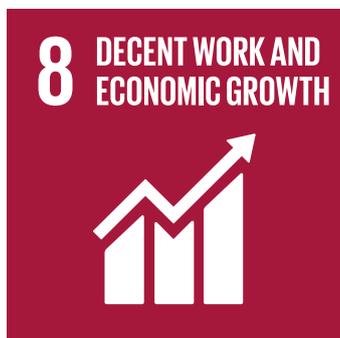
New electricity production to serve

**30.2 million households**



**49 million more urban transport passengers** per year

**739 000 people** served by upgraded urban infrastructure



**254 000 jobs**

sustained in supported SMEs, microenterprises and mid-cap companies



**400 000 tonnes** absolute greenhouse gas emissions per year (CO<sub>2</sub>-equivalent)

**2.8 million tonnes** CO<sub>2</sub>-equivalent/year sequestered by forests

**1.3 million tonnes** CO<sub>2</sub>-equivalent/year emissions avoided<sup>4</sup>

4 For details, see the 2018 Carbon Footprint Exercise, p. 60.

## LOOKING BACK AT COMPLETED PROJECTS

**W**e track results over the whole project cycle, ultimately looking at the outputs and outcomes of completed projects to learn lessons and strengthen our appraisal process.

**IN 2018 WE SAW THE COMPLETION OF SEVEN RENEWABLE ENERGY PROJECTS THAT ARE SUPPLYING ENOUGH POWER FOR 3.6 MILLION HOUSEHOLDS** (see pages 29 and 61)



**A CREDIT LINE TO EG BANK IN EGYPT HELPED SUSTAIN 3 470 JOBS IN SMALL BUSINESSES AND CREATE 420 JOBS** (see pages 33 to 35)



# INVESTING GLOBALLY IN SUSTAINABLE DEVELOPMENT



## **The European Union is committed to making poverty a thing of the past. It supports sustainable, inclusive development and economic convergence.**

**T**he European Investment Bank is the finance arm of the European Union. It uses its financial capacity and technical know-how to complement and magnify EU action and the development efforts of EU countries outside the Union. By providing the financial conditions and technical support unavailable elsewhere in the market, the Bank is able to catalyse ever greater volumes of finance for projects that support:

- climate crisis mitigation and adaptation
- infrastructure provision that is critical for economic and social development
- job creation by smaller businesses
- economic convergence and regional integration with the European Union

The EIB plays a vital role in the Union's efforts to achieve the UN Sustainable Development Goals, not just in the Union but around the world.

This report details the expected results of the new EIB-supported projects outside the European Union in 2018 and reviews older, completed projects to examine their results. It also highlights particular themes:

- action to tackle the climate crisis around the globe;
- enhancing the economic resilience of Europe's neighbours;
- how the Bank is promoting gender equality, improving the lives of women and girls and supporting other United Nations Sustainable Development Goals;
- how the EIB makes a difference in terms of financial access and conditions, as well as technical support;
- the different ways in which the Bank keeps track of project results and assesses its ultimate development impact.



## 101 NEW PROJECTS FINANCED IN 2018

In 2018, the EIB signed financing contracts for 101 new projects outside the European Union with a total of approved financing for these projects of EUR 9.05bn.<sup>5</sup> This will enable total investments of EUR 41bn.

The EIB signed off one more project than in 2017; we approved substantially more financing, but only a slightly larger volume of contracts was signed in the year. One of the factors driving this was a rebound in lending to Pre-Accession countries, specifically in the Western Balkans. Our lending remained broadly the same as in 2017 in Asia and Latin America and increased in the African, Caribbean and Pacific countries as well as the Eastern and Southern Neighbourhoods.

## RECORD LENDING FOR CLIMATE AND SOCIAL AND ECONOMIC INFRASTRUCTURE

In 2018 the Bank's efforts to respond to the climate crisis were reflected by a record volume of financing approved for projects targeting climate change mitigation and/or adaptation (EUR 3.3bn). Lending for the development of social and economic infrastructure also increased greatly, with EUR 6.4bn approved. Approvals for local private sector development fell to EUR 2.6bn, partly reflecting a stronger focus on small but higher-risk investments in equity funds, where the motivational effect of EIB intervention can be strong. Some EUR 2.5bn supported the cross-cutting objective of regional integration through a combination of significant transport and energy grid (pipeline) projects.

<sup>5</sup> "New projects" are those for which the first financing contract was signed in 2018. For each project, the full, approved financing amount and the expected results of the whole project are reported. These figures may therefore differ from those presented in other EIB publications: see the section "2018 aggregate lending volumes" for details (p. 62). This report does not cover the EFTA countries, for which project results are assessed according to the same framework as for the EU Member States.



## **NEW LIFE FOR THE DEAD SEA – TACKLING A REGIONAL WATER CRISIS – CASE STUDY**

Once every two weeks, families in Jordan can turn on the taps and pipe up to four cubic metres of drinking water into their rooftop tanks. Unfortunately, this is only a third of the amount they need. As one of the world's driest countries, Jordan lacks sufficient fresh water for its growing population and the 1.3 million Syrian refugees it hosts. Water scarcity is gradually becoming even more severe as a result of climate change. Meanwhile, the diversion of the water that feeds the Dead Sea is threatening to dry it out.

This challenge will be addressed by the ambitious Red Sea–Dead Sea project. Its first phase will enable 300 million cubic metres of water to be extracted from the Red Sea each year; 65 million cubic metres of drinking water will be produced at a new desalination plant close to Aqaba. This will improve the supply of drinking water for an estimated 2 million people in Jordan and Israel and allow a further 400 000 households to be connected to the water network. The remaining brine and seawater will be carried 180 km by pipeline and discharged into the Dead Sea to counter its falling level. As it flows down 600 metres to the lowest land point on Earth, the water will be used to power 31 MW of hydroelectric generation capacity.

Such a large and complex project is not easy to design. This is why the EIB mobilised EUR 1.7m from the Neighbourhood Investment Platform (NIP) and used EUR 0.35m from the EIB's Economic Resilience Initiative technical assistance envelope for economic analysis, feasibility studies, environmental and social impact assessment and a resettlement action plan. Effective cooperation with Agence Française de Développement (AFD), the World Bank, the Spanish and Italian Cooperation Agencies and the European Commission led to a EUR 260m EIB loan to the government of Jordan, which we expect to be blended with a Neighbourhood Investment Platform grant as part of the financing for this EUR 1bn investment.

The project is part of a landmark regional water-sharing initiative between the Jordanian and Israeli governments and the Palestinian Authority. As such, it shows how Israelis, Jordanians and Palestinians can work together for mutual benefits across the region.

## DELIVERING ON EU POLICIES – THE EIB’S MANDATE OBJECTIVES AND BLENDING WITH DONOR RESOURCES

The External Lending Mandate (ELM) covers 68 countries and/or territories in different regions:

- Pre-Accession countries
- the EU’s Southern Neighbourhood
- the Eastern Neighbourhood countries
- Asia, Central Asia and Latin America
- the Republic of South Africa

In addition, the EIB lends at its own risk for investment-grade operations in Pre-Accession and Neighbourhood countries, and globally in support of climate action and strategic investments.

The Cotonou Partnership Agreement covers operations in the 78 African, Caribbean and Pacific states, as well as the Overseas Countries and Territories. The overarching objective of the Cotonou Agreement is to reduce and eventually eradicate poverty, in line with the objectives of sustainable development and the gradual integration of the African, Caribbean and Pacific countries into the global economy.

Projects financed by the EIB also frequently benefit from third-party donor financing in the form of grants that are channelled to projects, often through the following trust funds managed by the EIB:<sup>6</sup>

- Eastern Partnership Technical Assistance Trust Fund
- EU-Africa Infrastructure Trust Fund
- FEMIP Trust Fund
- Neighbourhood Investment Facility Trust Fund
- Luxembourg-EIB Climate Finance Platform
- Economic Resilience Initiative Fund
- Water Sector Fund

Such grants enable the Bank to deliver maximum impact. They also help increase the viability and sustainability of EIB loans through technical assistance and advisory services to support project preparation and implementation, investment grants (including interest rate subsidies) to lower the cost of financing and diverse financial instruments to improve the risk-return balance.

Moreover, through the use of EU blending facilities (such as the investment facilities/platforms for Africa, Asia, the Caribbean, Central Asia, the Pacific, Latin America, the EU Neighbourhood and Pre-Accession countries), EIB activity reinforces its complementary relationship with the European Commission and other international financial institutions, and further contributes to the development impact of investment projects.

<sup>6</sup> See <http://www.eib.org/products/blending/trust-funds/index.htm>.



## THE SUSTAINABLE OCEAN FUND – CASE STUDY

**The El Manglito fishermen community in northern Mexico became a test case for a new fund dedicated to turning around failing fishing communities.**

Because of overfishing, about 550 people had run out of the most popular clam, the pen shell, and this issue was deeply affecting the local economy.

Althelia, an investment firm specialised in environmental finance, set up a Sustainable Ocean Fund to promote sustainable and profitable work methods in El Manglito. As a cornerstone investor, the EIB brought €17m in financing, hoping to raise awareness around ocean funds for other types of investors, especially commercial banks.

By working with Noroeste Sustentable, an NGO specialised in sustainable projects for small Mexican communities, the El Manglito community turned things around, setting up a successful company, Achamar, that completely changed distribution and sales of pen shell products. It is now estimated that 60 million pen shells will be in the El Manglito area by 2020, practically a sustainable level.

With the success of this project, the challenge for the Sustainable Ocean Fund is to replicate the case everywhere, helping more fishermen communities around the world.

# CLIMATE ACTION

THERE  
IS NO  
PLANET B



Electricity from renewables

**18 700**  
**GWh/year**

Enough to supply  
**11.5 million households**

Lower carbon transport

**52**  
**million journeys**  
**per year**

on  
**improved public**  
**transport**

Estimated carbon footprint for new projects outside the European Union

**Absolute GHG emissions**

**400 000**  
**tonnes CO<sub>2</sub>-equivalent/year**

**Sequestration by forestry projects**

**2.8 million**  
**tonnes CO<sub>2</sub>-equivalent/year**

**Emissions avoided relative to the expected alternatives**

**1.3 million**  
**tonnes CO<sub>2</sub>-equivalent/year**

For details see p. 60.



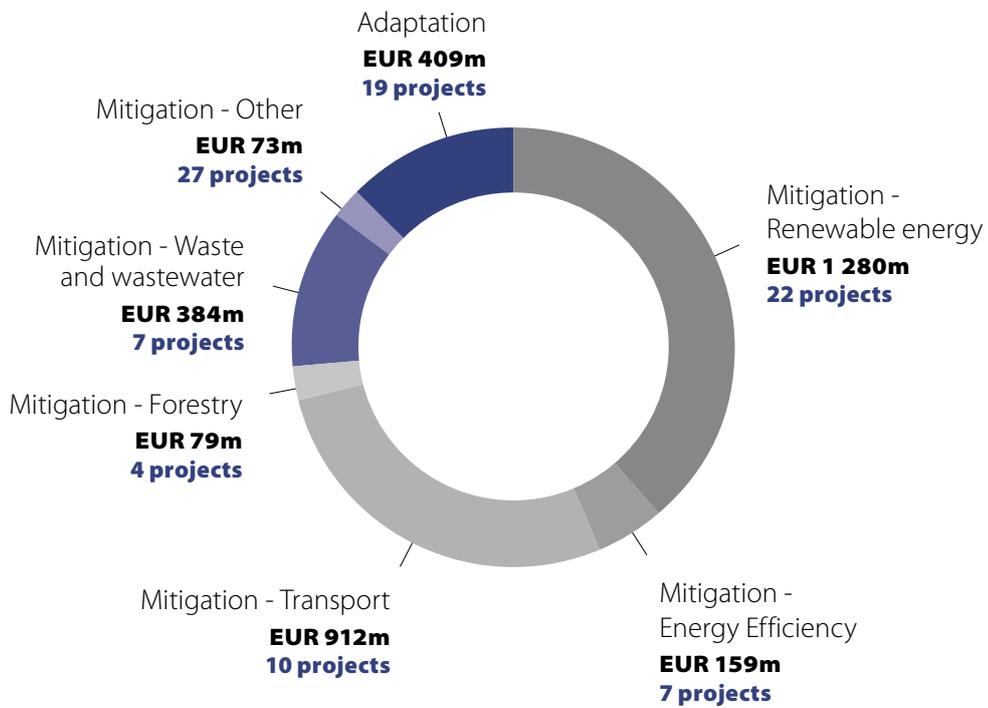
**C**hanges in our climate are becoming increasingly visible: rising surface temperatures, changing rainfall patterns, more extreme weather events and disruption to harvests. The climate crisis threatens human well-being everywhere, but it is developing countries with less capacity to adapt that are most exposed to catastrophic impacts. Efforts to reduce poverty, increase decent employment and spur economic development have little meaning without successful global efforts to limit or mitigate climate change. In this way, the EIB plays a vital role in the Union's efforts to achieve the UN Sustainable Development Goals, not just in the Union but around the world.

The EIB prioritises activities that reduce greenhouse gas emissions or sequester and store carbon. Our climate action also ensures that assets, people and ecosystems can adapt and be resilient to climate change and adverse weather events. The Bank's current climate strategy was rolled out in 2015, committing the EIB to mobilise finance for projects to keep global warming well below 2°C. Our actions are helping to achieve UN Sustainable Development Goal No 13 (SDG 13), which calls for urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.

The EIB is committed to devoting at least a quarter of its future annual lending to climate action activities. In 2018, one third of approved lending, or EUR 3.3bn, supported climate action, through 73 projects. Most of these focus on renewable energy and reduction of emissions in transport. We have invested in nine equity funds with a climate focus, using EIB and donor risk-absorbing capacity to motivate more private sector financing for many small-scale climate mitigation and adaptation projects. For example, our Green for Growth Fund will improve energy efficiency and promote renewable energy in the Southern and Eastern Neighbourhoods and Pre-Accession countries. We aim to increase lending for climate action in developing countries to 35% by 2020.



## CLIMATE ACTION LENDING FOR NEW PROJECTS IN 2018<sup>7</sup>



<sup>7</sup> Volumes are for total approved lending for projects signed for the first time in 2018. Individual projects may support more than one category of climate action.



## **REFORESTING DEGRADED LAND TO COMBAT CLIMATE CHANGE – CASE STUDY**

**At the end of 2018, the Land Degradation Neutrality Fund made its first investment in the Urapí Sustainable Land Use project developed by ECOTIERRA and located in Peru. The project aims to reverse land degradation and combat climate change by implementing sustainable agricultural practices, strengthening the economic models of cooperatives and promoting social inclusion. One project allocation works with four coffee cooperatives to reforest 9 000 ha of degraded land, developing productive agroforestry systems to improve the livelihoods of 2 400 producers.**



The EIB was one of the first investors in the Land Degradation Neutrality Fund, setting it on a path to attract USD 300m of investment in land management and land restoration projects worldwide, supporting the achievement of SDG 15: “Life on Land”. The fund aims to support the sustainable management of 500 000 ha of land, to reduce CO<sub>2</sub> emissions by 35 million tonnes, and to create jobs or improve livelihoods for over 100 000 people.

Alongside regular EIB equity financing, the fund benefits from donor support via the Luxembourg-EIB Climate Finance Platform, a joint initiative to mobilise and support investment in international climate finance.

## ACCESS TO WATER AND SANITATION AS A CORNERSTONE OF SUSTAINABLE DEVELOPMENT – CASE STUDY

The EIB is lending EUR 54.4m to the Bolivian government to help municipalities extend access to water and sanitation to rural areas. Simple interventions in small communities will be prioritised in order to reach as many people as possible. Around 40 000 new connections to piped drinking water will be installed and a further 6 000 upgraded, benefiting some 200 000 people. The project also aims to install 21 000 new connections to wastewater treatment systems, reducing local pollution and health risks and mitigating climate change by cutting greenhouse gas emissions from sewage treatment plants. Implementing the project will create some 12 000 person-years of employment.

Bolivia is particularly vulnerable to climate change, with fragile mountain ecosystems, expanding arid zones, deforestation and high levels of poverty. The development of drinking water and wastewater services, drought resilience, and their extension to remote, rural and low income areas is thus an important issue for both climate action and social and economic development. Indeed, Bolivia includes access to water as a fundamental human right in its constitution, setting out its vision for natural resources management in the Ley de la Madre Tierra.

The involvement of international financial institutions such as the EIB is vital. Bolivia can access only 10-year loans on international capital markets, but the EIB is providing a 20-year loan, with a 5-year grace period in line with the economic life of the project and its expected future capacity for revenue generation.





## **CLEAN POWER FOR INDIA'S DEVELOPMENT – CASE STUDY**

**The EIB supports the renewable energy sector in India, in line with the Joint Declaration between the European Union and the Republic of India on a Clean Energy and Climate Partnership.**

With its rapidly growing economy, India suffers from chronic energy shortages and environmental problems. It faces the challenge of moving to sustainable economic and social development, creating jobs and reducing poverty while limiting its adverse impacts on the living environment. Long-term financing for renewable energy projects is scarce, but framework loans to public financial institutions allow them to provide tailored financing to large numbers of smaller renewable energy projects throughout the country. Three such framework loans operations were completed in 2018.

These loans, totalling EUR 550m, to Exim Bank of India, the India Infrastructure Finance Company and Indian Renewable Energy Development Agency (IREDA), supported just over EUR 2bn of investment in 44 solar energy projects, 11 wind farms and 2 small-scale hydroelectric plants.<sup>8</sup> There was slightly more co-financing and installed capacity – 1.9 GW – than expected at appraisal. These projects are now generating an estimated 3.97 GWh per year, enough to supply clean power to around 4 million Indian households. This corresponds to reducing CO<sub>2</sub> emissions in the order of 3.6 million tonnes per year compared with generating the power using fossil fuels.

EIB support for renewable energy in India continued in 2018 with new loans to IREDA and Yes Bank that are set to support the production of clean electricity for around 1.9 million households.

<sup>8</sup> Results from some large sub-projects have been included in previous reports and are not reported in aggregate figures for 2018.

# **ECONOMIC RESILIENCE**



**The EIB Economic Resilience Initiative (ERI) supports countries in responding to shocks and crises, including large movements of people, and building long-term resilience. It brings together donor funding and EIB financing to maximise impact.**

**T**here are an estimated 248 million international migrants worldwide, and 70.8 million forcibly displaced persons, of which more than half are internally displaced. Climate change could displace very many more.

The EIB helps to build economic resilience by supporting job creation, enhanced social cohesion and climate action. This can enable economies to better absorb and rebound from crises and shocks while enhancing growth.

Thirteen newly signed ERI projects in 2018 are expected to have the following results:

- 106 000 jobs sustained in Egypt and Lebanon;
- 3.6 million people benefiting from improved water supply or sanitation;
- 13 400 road users benefiting daily from improvements in the Western Balkans.

The EIB is committed to strengthening the economic resilience of the countries it invests in and works with. Economic resilience refers to the capacity of economies to absorb and rebound from crises and shocks while maintaining a steady rate of social and economic development. The importance of strengthening such capacity was highlighted by the 2015 Syrian refugee crisis.

From improving drinking water supply for 2 million people in Jordan to supporting small businesses and industrial development in Lebanon, the EIB is present in partner countries and works hand-in-hand with bilateral development financiers and multilateral development banks.

The Economic Resilience Initiative specifically focuses on the EU's Southern Neighbourhood and the Western Balkans countries. It invests in:

- vital infrastructure to improve the lives of beneficiaries and lay the foundations for sustainable and inclusive growth and job creation;
- measures that enable communities to deal better with the consequences of climate change, such as more severe weather events and water shortages;
- a more inclusive financial and banking sector that increases access to financial services and credit, particularly for smaller enterprises, women and young people.

As with all EIB operations, we aim to enhance gender equality, protect and uphold human rights and promote peace-building. We look for approaches that offer the best results and value for money for the European taxpayer, through partnerships, complementarity and collaboration with, for example, the European Commission, European bilateral development agencies and regional banks. These include blended finance combining grants and financial instruments, and the provision of complementary technical assistance to increase the capacity of promoters and intermediaries, in order to successfully address needs in fragile and high-risk situations.



## CONNECTING KOSOVO – A VITAL NEW MOTORWAY – CASE STUDY

**Constructed with the aid of a EUR 80m EIB loan, a new 30 km motorway between Pristina and Peja will provide fast, efficient road transport in Kosovo. This is essential for the country's future economic development, by allowing people and goods to get around and improving connections with neighbouring countries and the European Union.**

The new road between Kosovo's capital and its fourth largest city will shift traffic from existing smaller roads, reducing journey times, improving road safety and enhancing the environment for the many settlements situated along the older route. Some 12 500 vehicles are expected to use the motorway each day, saving passengers an estimated 1.4 million hours of journey time every year, as well as EUR 480 000 per year in vehicle maintenance.

Through the project, the Bank also aims to increase productivity and promote trade that will stimulate economic growth and local employment, helping to reduce poverty. The project has benefited from Western Balkans Investment Framework grants worth EUR 3.2m to prepare a detailed design and a feasibility study. It will help to engender international best practice and the application of EU standards through its implementation and operation.

## LAYING THE FOUNDATIONS FOR JOB CREATION – CASE STUDY

**The EIB is supporting a Lebanese government plan to create three modern industrial zones, some of which will be near the Syrian border in areas heavily affected by the refugee crisis.**

It is hard to start a business in Lebanon. Many industrial areas around the country lack proper access to electricity, communications and transport.

"We suffer extensively when we try to create a company," says Fady Gemayel, President of the Association of Lebanese Industrialists, a Beirut-based group that advocates for balanced industrial development in all regions of Lebanon. "There are many impediments to new industries, but the main one is the cost and availability of land. This is a real problem."

A EUR 52m EIB loan under the Economic Resilience Initiative will finance the industrial zones' water lines, wastewater treatment, roads, electricity and other basic infrastructure. More than 100 small companies in sectors such as agri-food, car repair and construction are expected to move into these zones, creating around 1 900 permanent jobs.





## HELPING EGYPT'S SMALL BUSINESSES TO THRIVE

**Under our Economic Resilience Initiative, the EIB is supporting EG Bank, a newcomer to the market, in expanding its services to small businesses in Egypt. A EUR 20m loan from the EIB has enabled EG Bank to provide longer maturity loans to some 33 small and medium-sized enterprises (SMEs), with an average repayment period of two years. This has helped to support around 3 470 people employed by these businesses, as well as creating around 420 new jobs.**

Unemployment remains a challenge in Egypt, with youth unemployment as high as 39% in recent years. With a growing population, it is vitally important that the thriving private sector can create jobs. Local banks, however, are reluctant to engage in riskier lending to smaller Egyptian businesses, and access to finance continues to be a major constraint for small businesses. According to the joint EIB/EBRD/World Bank Middle East and North Africa Enterprise survey, only 9% of Egyptian firms use banks to finance investment.

The operation was one of the first under the Economic Resilience Initiative, and the EIB continues to build its support for SME lending through EG Bank. EG Bank now benefits from ERI Technical Assistance to support further development of targeted SME lending, with a focus on start-up companies and young entrepreneurs. As a result, a new tailor-made banking product and a comprehensive package of non-financial services should both become available to the youth segment of the market.



## 5 BUILDERS

**With 25 permanent employees, 5 Builders provides engineering, planning, procurement and project management services in the construction sector, with a particular focus on energy. The company recently worked on projects to install four solar parks in Egypt, each with 200 000 photovoltaic panels.**

Credit from EG Bank is vital for the business, which was founded in 2012. It provides an advance payments guarantee and a performance bond, enabling the company to bid successfully for contracts. 5 Builders then uses the amounts invoiced to its clients as collateral to finance its operations. With EG Bank's help, the company's revenue has grown dramatically, from EGP 5.5m in 2013 to EGP 49m in 2018.

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## TECHNOPRINT

**Capable of printing 700 000 books in three weeks, Technoprint has been expanding rapidly.**

Its main client is the Egyptian Ministry of Education, which ordered some 8 million pages of materials in 2018. In the printing industry reliable access to credit is essential, as sometimes late payments can threaten the viability of the business, and the Ministry requires a performance bond from a bank.

Founded in 2008, Technoprint has expanded by procuring used printing machines from abroad, with its turnover increasing from EGP 16m to EGP 40m since 2016. It recently acquired machines with ultraviolet capabilities, which will allow higher quality book printing. It has 40 employees, with more expected to join as the new machines become operational.

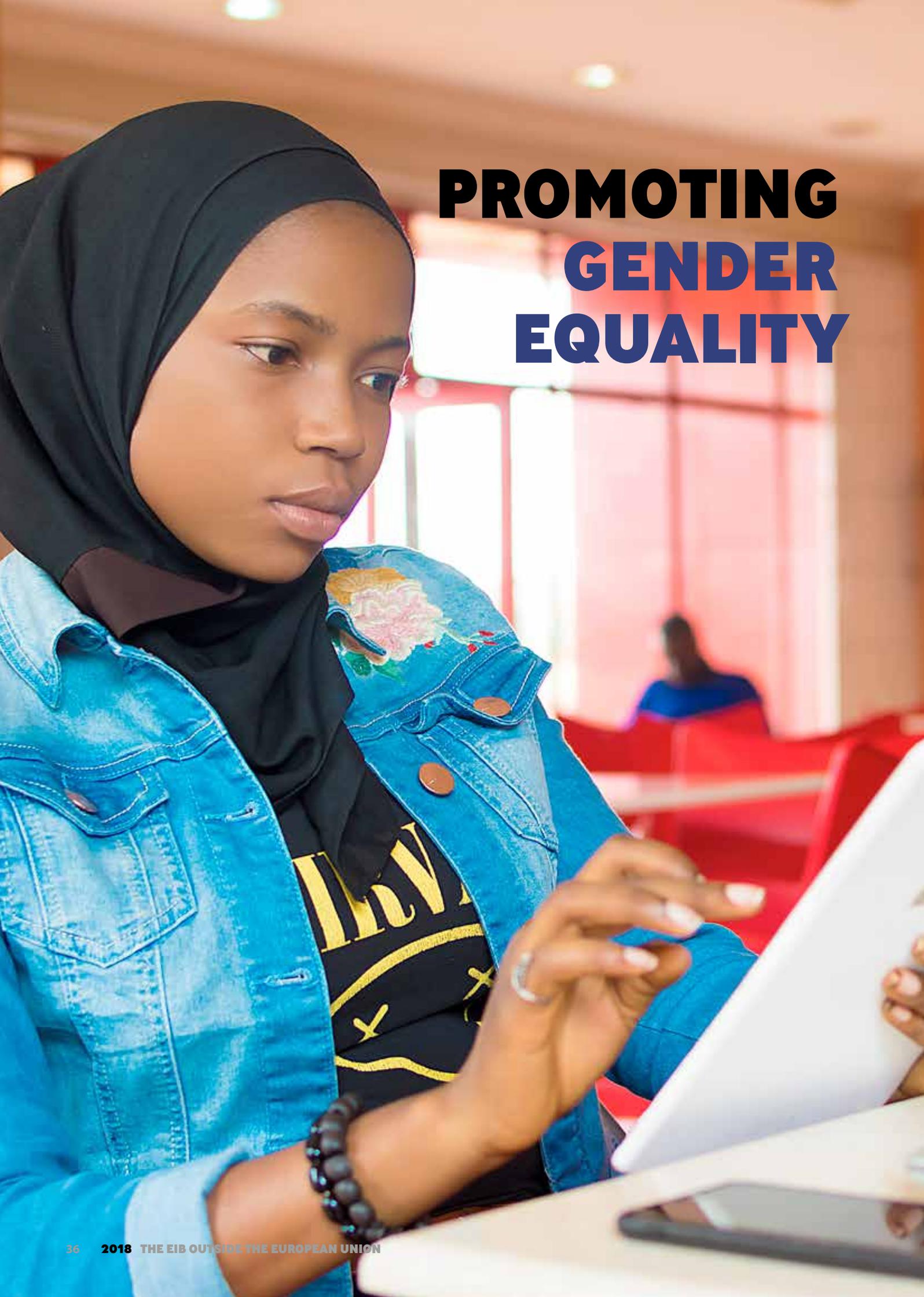


## **BIOCLEANA**

**Biocleana is a family business that has been manufacturing household detergents since the 1980s.**

It has survived competition from major international brands by tailoring its products to more price-sensitive consumers, particularly in Upper Egypt. Today it has a turnover of EGP 50m and 150 employees producing washing powder, dishwasher detergent and dry cleaning supplies. Its products are now available in supermarkets across the country. In volatile economic circumstances where, for example, powerful supermarket chains can delay payments for months, it has been especially important for the business to have reliable access to credit.





# **PROMOTING GENDER EQUALITY**



**Gender equality and women's economic empowerment drive inclusive and sustainable development. Despite progress in education, maternal health and women's participation in the labour force in many countries, there remain very significant gender differences in opportunities and outcomes.**

**W**omen and girls often face discriminatory legal frameworks and social norms contributing to:

- unequal access to employment, education, energy and other vital services;
- limited control over productive resources such as land, natural resources and financial services;
- differences in resilience to climate change and environmental degradation.

Women and girls also systematically face the risk of gender-based violence and harassment.

As the EU bank, the EIB works to ensure that the benefits of projects that we finance are equally accessible to all. Our aim is to embed gender equality in everything we do. We also support specific investments targeting women's economic empowerment as an explicit outcome.

This focus on gender equality and women's economic empowerment also makes sense for development. Economies do better when everyone can realise their full potential, and when the meaningful participation of all in the process of change fosters a more inclusive, environmentally sustainable and cohesive society. Investing in women's economic empowerment thus opens the door to gender equality, climate action and inclusive economic growth.

## EIB LENDING CONTRIBUTES TO GREATER GENDER EQUALITY AND TO INCLUSIVE AND SUSTAINABLE GROWTH

The EIB Group Strategy on Gender Equality and Women's Economic Empowerment and our Gender Action Plan (endorsed in January 2018) set out how we are doing this.<sup>9</sup> Reflecting the strategy's three thematic areas of action, as well as delivering the institutional groundwork, the priorities under the first phase of the plan are as follows.

### PROTECT

**Enhancing our due diligence framework to enable clients and EIB experts to assess, prevent and mitigate negative impacts and risks of EIB investments to girls and women.**

The EIB is working to fully integrate due attention to gender-specific risks into its social due diligence framework, and to enhance staff and promoter awareness of such risks and of potential strategies to mitigate them.

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### IMPACT

**Integrating gender considerations within relevant EIB Group operations, to improve opportunities for positive impacts for all.**

For example, the Bank is supporting the development of a project in Tunisia to invest in primary education. Technical assistance will be provided to identify investment needs. Teacher training is expected to cover issues such as the need for gender-sensitive facilities or gender sensitisation, with a view to improving impacts in terms of girls' participation and their educational outcomes.

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<sup>9</sup> <http://www.eib.org/attachments/strategies/eib-group-gender-action-plan-2018-2019-en.pdf>

<sup>10</sup> OECD (2019), Gender, Institutions and Development Database.

## INVEST

### **Identifying new business opportunities and suitable instruments to support women's economic empowerment through specific investments.**

EIB-supported projects with a specific objective related to gender equality include a EUR 30m long-term loan to the Ethiopia Women Entrepreneurship Development Project (WEDP) to promote job creation and female empowerment through better access to finance for women entrepreneurs and more investment in female-owned businesses. Many microfinance projects, such as those in the Dominican Republic, also have a strong social and gender focus (see below).

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## INSTITUTIONAL CHANGE AT THE EIB

### **Targeting leadership, communication, capacity building, information management and partnerships to measure results and accountability.**

We are developing methodologies to track sex-disaggregated data with regard to final beneficiaries and indicators such as "jobs created" and "jobs sustained". These new methodologies will also enable us to better assess gender-specific results of particular operations and how our operations impact gender equality indirectly in specific contexts.

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## DEVELOPING OPPORTUNITIES FOR WOMEN ENTREPRENEURS IN THE DOMINICAN REPUBLIC

**The National Development Strategy of the Dominican Republic sets out the goal of becoming a high-income country by 2030 in an inclusive and sustainable manner. One element of this is promoting greater gender equality. The country has dramatically closed the gap in education between girls and boys. However, only 50% of women participate in the labour market, compared to 80% of men, and there is a large gender wage gap of 44%.<sup>10</sup> Cultural attitudes still discriminate against women, but women are increasingly becoming breadwinners for their families and venturing into new areas of business.**

Access to affordable finance is key to enabling the economic empowerment of women. Microfinance institutions in particular have paved the way for more gender-inclusive lending and other financial services. Since 2015, the EIB has been supporting some of these microfinance institutions in the Dominican Republic via the Caribbean and Pacific Microfinance Facility made available under the Impact Financing Envelope for African, Caribbean and Pacific countries. For example, two credit lines to Adopem and Banfondesa totalling EUR 15m have reached more than 200 000 clients, over half of whom are women. Both of these microfinance institutions have a clear social mission and provide financial support to the more vulnerable segments of society. For example, more than 80% of Adopem's clients are considered vulnerable, with 20% living below the poverty line.

Gender is an important focus for both institutions: most of their new clients in the past couple of years have been women, and their portfolios continue to grow. Banfondesa has significantly increased its support to women-led businesses. In just three years, female clients increased their portfolio share from 33% to 44%.

## RAMONA

**Ramona lives in the small town of Copei in Montecristi, one of the poorest and most rural areas of the Dominican Republic, near the border with Haiti. She supports herself and her family by baking maize pies and sweet potato bread, which she sells mainly to travellers stopping at the military checkpoints on the nearby road.**

For 12 years, Ramona has been a client of Banfondesa, which aims to promote development and economic growth in the border region and has thus been steadily increasing its presence there to support local communities. By taking some small loans (the latest amounted to DOR 30 000/EUR 500), Ramona has been able to keep her business stable and ensure that her five children and her grandchildren are provided for. With this financial support to her micro-business, Ramona has been able to pay for the education of her children and enhance their living conditions by making several house improvements. The loans have also enabled Ramona to invest in some livestock as an income boost and as a second pillar of the business to improve her economic security.



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## ESCOLASTICA – DULCERIA ECO

**In 2009, Escolastica from Monte Plata in the Dominican Republic wanted to send her daughter to study at the polytechnic institute, but she and her husband did not earn enough to cover the fees. She decided to venture into something new: using fruit from her garden she started making sweets, and on her first day of selling them she earned DOR 300 (EUR 5).**

Despite the small beginnings, Escolastica kept going, and in 2011 took her first micro-loan to invest in fruit production and to acquire land. With the support of EIB-backed loans from Adopem, she built up her business and now owns and runs a successful organic sweets factory – Dulceria Eco, Canela & Mas. Escolastica now owns several plots of land, where she plants fruit trees such as orange, pineapple, star fruit and coconut. She also grows potatoes and owns a few cows, also using their milk to make the sweets. She sells her products to over 100 women who distribute the sweets throughout the region, selling them in street markets, shops and roadside stalls. She directly employs two women who assist her with the production and sales, and other workers to help her with the fruit plantations and harvesting. On a good day, Escolastica now estimates that she sells up to DOR 20 000 (EUR 334) worth of her products.



## **JULIA – RESTAURANT DELICIA**

**Julia started her entrepreneurial career by acquiring a restaurant in 2011. She came across an opportunity to take over an existing business in Monte Plata, Dominican Republic, and Adopem provided her with the initial funding to buy it. With her husband mainly taking care of logistics, she currently employs 16 people, mostly women.**

The growing popularity of her restaurant, with average daily revenues of around EUR 500-600, as well as the continued financial support from Adopem, has enabled Julia to open two more businesses in the town: a grocery shop and a small clothes shop. Her ambitions do not stop there: her next project is a traditional “pica-pollo” (roast chicken stand), for which she will need to hire more staff. Julia is most proud of her fresh orange juice – always prepared by herself in her restaurant.



## **JUANA**

**Juana Olivo owns a piece of land and a wooden family house nested in a valley near the Salto Socoa waterfalls in the Dominican Republic. She lives with her husband, four of their six children, grandchildren and the wives of her sons. She has a part-time job as a receptionist at a clinic in a nearby town.**

Around 2009, an acquaintance left her ten beehives and she saw an opportunity to start a small apiculture business to boost her income and better provide for her family. The area is rich in mango flowers, avocado flowers, palm trees and acacias, and a thriving environment for the bees. It took Juana some time to get started, but three years ago Adopem offered her some much needed financial support. Her first loan amounted to DOR 20 000 (EUR 210), which she used to care for the beehives and other animals the family owns (goats, chickens). Juana has now taken three loans in total, enabling her to keep her business going and increase production. Today she has 24 hives – she creates new ones whenever there is a new queen bee – and produces 12 gallons of honey per season.

Juana and her family belong to the poorest segment of the Dominican population. The remoteness and inaccessibility of their land – only reachable by foot, bicycle or scooter – creates obstacles to the growth of the honey business. Nonetheless, Juana plans to continue improving the conditions and productivity of her farm with the continued support of Adopem.

# HOW WE ASSESS IMPACT



**As the EU bank, we act on behalf of the EU Member States to promote development and economic integration, and to tackle climate change and poverty. Everything we do is ultimately driven by impact.**

**T**hat is why it is so important for us to track the results and impacts of the support we provide. We use a range of tools that we are constantly expanding and developing:

- systematic tracking of projects' inputs, outputs and outcomes throughout the project cycle using the Results Measurement Framework (ReM);
- enhanced ReM+ framework for impact financing;
- deep-dive collaborative studies to assess project impact;
- dedicated tracking of technical assistance activities and results.

These tools support internal learning and enable transparency on how we carry out our role and put our mandates into action.

## **THE RESULTS MEASUREMENT FRAMEWORK**

We use the Results Measurement Framework (ReM) to track project results outside the European Union as well as the contribution to EU and country objectives and the difference that EIB involvement makes compared with local markets. This strengthens the appraisal process, supports monitoring throughout the project cycle and complements the EIB's due diligence process.

At the beginning of the project cycle, we identify appropriate indicators for each project and estimate the economic, social and environmental outcomes we expect to get. Projects are then rated according to three "pillars":

- the achievement of the policy objectives;
- the quality and soundness of the operation and expected results;
- the contribution of the EIB.<sup>11</sup>

Since the ReM framework was launched in 2012, around 650 projects have gone through ReM assessment at appraisal. Financial sector projects and some infrastructure projects approved under the framework are now increasingly nearing completion. The results of these projects are reported on p. 61.

<b>PILLAR 1</b>	checks eligibility under EIB mandates and rates the contribution to the European Union and country priorities	<b>IMPACTS</b>
<b>PILLAR 2</b>	rates the quality and soundness of the operation, based on the expected results	<b>OUTCOMES OUTPUTS</b>
<b>PILLAR 3</b>	rates the expected EIB financial and technical contribution, beyond the market alternative	<b>INPUTS</b>

## REM+

Under the dedicated EUR 800m Impact Financing Envelope (IFE) for African, Caribbean and Pacific regions, the EIB supports higher-impact, higher-risk private sector initiatives, with the underlying aim of poverty reduction. The EIB uses the enhanced “ReM+” framework to capture the lessons learned from these innovative and high-potential projects in more detail. This framework adds detailed socioeconomic profiling to give insights into our outreach to the bottom of the pyramid and underserved groups, as well as tailored social impact indicators. In a partnership with the Global Development Network (GDN), we are also enabling early-career researchers from African, Caribbean and Pacific countries to undertake “deep-dives” into the impacts of IFE projects (page 46).

## REM FOR DEVELOPMENT EFFECTIVENESS

The original framework is flexible enough to reflect differences in regional economic and social environments and to adjust to changing demands (for example, changes in mandate objectives or new monitoring indicators) and remains useful within the Bank as a learning tool. As far as we can, we have harmonised the ReM indicators with those of other international financial institutions to simplify client-reporting requirements in co-financed operations. We have also standardised indicators with the European Commission under the framework of the EU blending platform for development projects requiring a mix of grant and loan funding. We work continuously with other development agencies and financial institutions to standardise the results indicators we use.

11 <https://www.eib.org/en/infocentre/publications/all/the-results-measurement-rem-framework-methodology.htm>

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## **EXPANDING ACCESS TO CLEAN ENERGY IN CAMEROON - CASE STUDY**

Supported by a EUR 50m long-term EIB loan, the Nachtigal Hydropower plant in Cameroon will be the largest hydropower project ever built in Africa. It will be located on the Sanaga River near the Nachtigal Falls and 65 km to the northeast of Yaoundé. The project, jointly owned and operated by the Nachtigal Hydro Power Company, Electricité de France (EDF), the International Finance Corporation (IFC) and the Republic of Cameroon, will increase the country's electricity supply by 30%, improve the financial sustainability of the electricity sector and boost economic growth.

With the support of the EIB loan under the Impact Financing Envelope of the African, Caribbean and Pacific (ACP) Cotonou Investment Facility, and with a total project cost of EUR 1.2bn, the dam and hydropower plant will reach a capacity of 420 MW. This clean, low-cost energy solution is set to positively transform the lives of millions people, as it will reach 88% of the Cameroonian population. Currently, only 60% of the population has access to electricity; in rural areas this figure is estimated to be less than 25%.

Access to an affordable and stable (all-season) source of energy is vital for the socio-economic development of Cameroon and will meet the Sustainable Development Goals. At least 1.4 million people in the poorest segment of society (individuals falling below the international poverty line) will directly benefit from the project. During the construction phase, we expect an average of 800 workers to be employed, with 1 500 at its peak. About 60% of the required workforce will be hired locally.

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## MEASURING OUR IMPACT WITH A CAPACITY-BUILDING PARTNERSHIP

**The EIB is gaining insight into the impact of selected private sector operations with an innovative “deep-dive” programme that also builds the ability and expertise of developing country researchers.**

In 2016, the EIB established a pilot programme to improve the understanding of results and to better assess the impact of EIB operations with rigorous studies, in line with global best practice, as well as enhancing capacity for impact assessment in African, Caribbean and Pacific countries and within the EIB. Under the programme, the impact of projects under the EIB’s IFE for Africa, the Caribbean and the Pacific are examined in depth over three 12-month cycles by talented early-career researchers from those countries. The pilot is being implemented in partnership with the Global Development Network (GDN), a public international organisation dedicated to supporting research in the social sciences to promote development, working through partnerships, capacity-building and networking. Each researcher spends a year on a “deep-dive” study of an IFE project, and is trained, guided and mentored by GDN, the EIB and a set of expert advisors – renowned academics and practitioners in the fields of impact evaluation and impact assessment. So far, the programme has supported competitively recruited researchers from Ethiopia, Rwanda, Senegal, Mali, Cameroon, Ghana, Nigeria, Kenya and the Gambia.

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### PREMIÈRE AGENCE DE MICROFINANCE CÔTE D'IVOIRE

**Première Agence de Microfinance Côte d'Ivoire (PAMF-CI) provides financial services to more than 17 000 microentrepreneurs and small-scale farmers excluded from commercial banking services in northern and central Côte d'Ivoire. It was created in 2008 and has received funding from the Luxembourg Microfinance Development Fund, a microfinance investment vehicle that received funding from the EIB under the IFE.**

#### Deep-dive findings

- PAMF-CI is contributing to financial inclusion in some of the poorest areas of Côte d'Ivoire. More than 94% of its clients had been financially excluded prior to gaining access to a PAMF-CI solidarity-group loan.
- Clients are highly satisfied with PAMF-CI products and services.
- PAMF-CI loans are mainly invested in business activities, and our study found robust evidence that successive borrowing had positive impacts on the economic and financial performance of microenterprises. Customers also perceive positive impacts on their economic well-being.
- However, no evidence could be found of an impact on longer-term fixed-asset accumulation.
- PAMF-CI is successfully addressing financial exclusion of women, who make up more than half of the client sample. However, the impact of PAMF-CI lending on business outcomes is less pronounced for women entrepreneurs.



## M-BIRR IN ETHIOPIA

**M-BIRR was the first mobile money service launched in Ethiopia, and now has over 1.5 million customers. Around 65% of customers use the service to receive social payments, while the rest use M-BIRR for person-to-person money transfers, agent banking, topping up airtime, paying bills and buying goods via their mobile phones. The M-BIRR service is co-owned by six of Ethiopia's largest microfinance institutions, and the technology and support services are provided by MOSS ICT.**

In 2017, MOSS ICT received equity investment from the EIB under the IFE in a co-investment with DEG, a subsidiary of Germany's KfW banking group. The investment will support further expansion of M-BIRR services to financially excluded groups and support the diversification of its products.

### Deep-dive findings

- The young, the educated and the better-off are early adopters of mobile money technology. Nonetheless, the M-BIRR service is also reaching a large number of beneficiaries among the poor and underserved population groups.
- There is an enormous market opportunity for further expansion of mobile money use: mobile phone use is widespread, and an estimated 70% of Ethiopians do not have a bank account. The biggest constraint on increasing take-up is lack of awareness among potential customers.
- Making a mobile money payment option available for utility bills could increase consumer welfare: customers are willing to pay significantly more than the cost of providing the service for its convenience. This is particularly true in secondary cities, without one-stop payment centres, and among the better-off, the educated and those with experience using technology.
- A number of institutional factors, on both the supply side and the demand side, would need to be tackled to make it possible for M-BIRR or others to provide this service.

# IN DETAIL



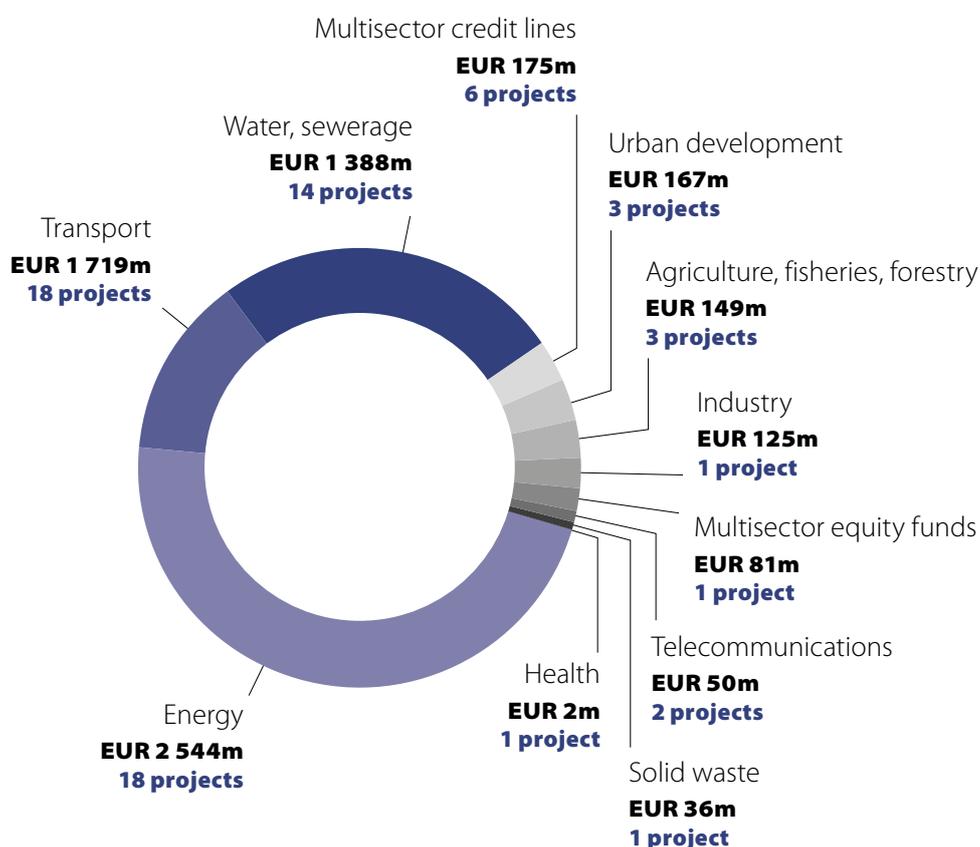
This section provides further details about our lending activity outside the European Union in 2018 and our tracking of project results. It covers:

- expected results of new lending
- project ratings and the EIB contribution
- expected results of technical assistance
- the 2018 Carbon Footprint Exercise
- results of projects completed in 2018
- 2018 aggregate lending volumes
- a list of the 101 new projects signed in 2018

## EXPECTED RESULTS OF NEW LENDING

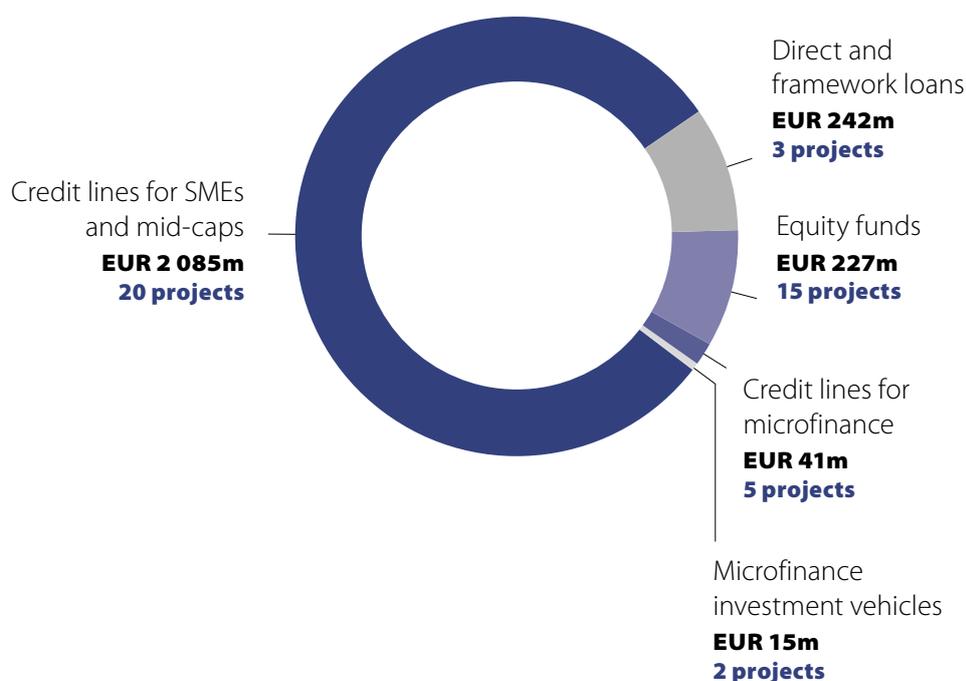
In 2018 the EIB saw a moderate shift towards financing social and economic infrastructure development. Of the 101 new projects in 2018, 68 focused on different infrastructure sectors (EUR 6.4bn). Local private sector development was supported by approved lending of EUR 2.6bn, through 45 new projects.<sup>12</sup> Credit lines for small businesses and mid-caps made up most of this lending, as usual, while equity finance and support for microfinance involved lower volumes but more risk-absorption. This section summarises the aggregate outputs and outcomes we expect from these new projects.

### NEW PROJECT LENDING FOR SOCIAL AND ECONOMIC INFRASTRUCTURE, BY SECTOR



<sup>12</sup> Some projects support both private sector and infrastructure objectives, as well as cross-cutting climate action and regional integration objectives.

## NEW PROJECT LENDING IN 2018 FOR LOCAL PRIVATE SECTOR DEVELOPMENT, BY INSTRUMENT TYPE



**Highlights of new infrastructure projects in 2018** include the expected production of an additional 30 000 GWh/year of electricity, serving some 30 million households. Climate-focused equity funds are proving increasingly important to mobilise finance for smaller-scale renewable energy projects; we supported seven of these in 2018. New transport projects include eight road projects, half of them improving regional links and economic prospects in Western Balkans countries, and one in Laos focused on improving climate change resilience in local areas. Among four other new public transport projects, one in Buenos Aires stands out, as it should enable an additional 37 million journeys every year on rehabilitated metro infrastructure. Other projects will upgrade vital port facilities in Mauritania and the Seychelles, as well as inland waterways in Serbia.

Fourteen new projects in the water and wastewater sectors are expected to improve water supply and/or sanitation for some 11.7 million people. More specifically, they are expected to achieve 172 000 domestic connections to water supply and 87 700 connections to sewerage systems. A further 18 operations will contribute to urban development, agriculture, fisheries and forestry, industry, telecommunications, and solid waste management or to a mix of sectors.

Altogether, infrastructure projects will create some 392 000 person-years of temporary employment, which will also lead directly to the creation of 10 900 permanent jobs.

## EXPECTED RESULTS OF NEW INFRASTRUCTURE PROJECTS

Energy	Expected outputs		Expected outcomes
Generation capacity	7 470 MW	Electricity production, per year	30 600 GWh
of which, from renewables	5 840 MW	Households potentially served by electricity produced	30 200 000
New/upgraded power lines	1 853 km	Energy transported, per year	101 000 GWh
New or upgraded electricity sub-stations	40	Annual energy savings (reduction in losses)	12.5 GWh
New gas pipeline	1 814 km	Annual reduction in power cuts	68 hours

Transport	Expected outputs		Expected outcomes
New or upgraded bus/tram/metro routes	14 km	Additional urban transport passengers, per year	49.3 million
New or upgraded stations or stops (urban)	13	Reduced urban journey times, per year	1.33 million hours
New rolling stock or vehicles (urban)	11		
Railway track (extra-urban) built or upgraded	34 km	Additional rail passengers, per year	2.8 million
New or upgraded stations (rail)	2	Additional rail cargo carried, per year	523 000 tonnes
New rolling stock (rail)	240	Reduced rail journey times, per year	60 000 hours
Additional cargo port capacity, per year	1.29 million tonnes	Additional ship passengers, per year	290 000
		Additional cargo handled, per year	4.71 million tonnes
Road lanes built or upgraded	2 230 km	Additional beneficiaries (vehicles), per day	34 600
		Reduced road journey times, per year	5.63 million hours
		Vehicle operating cost savings, per year	EUR 12m
		Road fatalities saved, per year	16.6

Water supply and sanitation	Expected outputs		Expected outcomes
New/upgraded domestic water connections	572 000	Population benefiting from improved water supply	8.9 million
New/upgraded water mains/pipes	2 430 km	Population with reduced exposure to drought risk	2 million
New/upgraded wastewater treatment capacity (person-eq)	5.07 million	Population benefiting from improved sanitation services	3.48 million
New/upgraded domestic sanitation connections	87 700	People facing reduced risk of flooding	460 000
New/upgraded sewer/storm pipes	6 090 km		

Urban development, waste management, health and telecommunications	Expected outputs		Expected outcomes
Length of urban streets and associated infrastructure built or upgraded	1 250 km	Population served by new/upgraded urban infrastructure	739 000
New or renovated social housing units	12 100		
New or rehabilitated treatment facility capacity, per year	200 000 tonnes	Waste handled by new waste facilities, per year	200 000 tonnes
New sanitary landfill capacity	1.1 million m <sup>3</sup>	Persons benefiting from new waste collection system	800 000
		Population covered by improved health services	3.85 million
Additional 3G/4G sites	1 124	Additional mobile phone subscriptions (with data services)	2.81 million
Fibre optic cables installed	5 000 km	Increase in national population covered by 4G network	57 p.p.

Agriculture, fisheries and forestry	Expected outputs		Expected outcomes
Annual water use for irrigation	13 500 m <sup>3</sup>	Additional farmers benefiting from irrigation	2 300
Agricultural or forest land under improved management	961 000 ha		
New forest planted	46 100 ha		
Crop production capacity, per year	1 million tonnes		
Crop storage capacity	699 000 tonnes		

Direct employment impact of infrastructure projects*	Employment during construction (person years)	Employment during operation (full-time equivalent)
Energy	22 200	703
Transport	138 000	699
Water, sanitation and waste	176 000	3 380
Industry	8 000	183
Telecommunications	418	230
Agriculture, forestry, fisheries	38 200	3 540
Urban development	9 060	2 130
<b>Total</b>	<b>392 000</b>	<b>10 900</b>

\*\* Employment split by sector is indicative.

**New projects supporting local private sector development** include 20 credit lines that together will enable local banks to support 5 750 small businesses and mid-caps, helping to sustain some 219 000 jobs, as well as to invest, grow and create new ones. Credit lines are also used to support microfinance institutions (MFIs), and we expect the five operations we are backing to sustain nearly 35 000 jobs in final beneficiary microenterprises. Due to the social focus of many of the MFIs we support, we expect a high percentage of these beneficiaries to be women microentrepreneurs. Two projects will also support some 30 MFIs (which together lend to over 900 000 people) through equity funds known as microfinance investment vehicles.

Investments in equity funds played a notable role in 2018, with 15 funds benefiting from EIB support having relatively small financing volumes but high risk-absorption and leverage. Some are “impact funds” that focus on a specific sector or a higher level of social impacts, while others focus on realising opportunities for high-growth potential SMEs. For equity funds where estimates are available, some 19 800 jobs are expected to be created in investee companies.

## EXPECTED RESULTS OF NEW PROJECTS SUPPORTING PRIVATE SECTOR DEVELOPMENT

### Credit lines for SMEs and mid-caps

	SMEs	Mid-caps	Other	All
Total loans (EUR m)	1 480	654	102	2 240
Total loans (#)	5 410	171	139	5 720
Average loan size (EUR 000s)	274	3 826	733	392
Average loan tenor (years)	6.2	7.4	8.5	6.7
Jobs sustained in beneficiary firms	134 000	82 000	3 400	219 000

### Credit lines for microfinance

	Expected outputs		Expected outcomes
Total loans (EUR m)	149	Jobs sustained in beneficiary firms	34 800
Total loans (#)	40 500		
Average loan size (EUR m)	3 680		
Women as % of final beneficiaries	95		

### Microfinance investment vehicles

	Expected outputs		Expected outcomes
Total MIV fund size (EUR m)	130	Loans to final beneficiaries by MFIs supported (#)	34 800
Average leverage ratio	8.7	Women as % of final beneficiaries	62
MFIs supported	30	Net jobs created in MFIs supported	598

### Equity funds

	Expected outputs		Expected outcomes
Total fund size (EUR m)	5 350	Net jobs created in investee companies	19 800
Average leverage ratio	11.5		
Investee companies (#)	350		
Average investment (EUR m)	13.8		

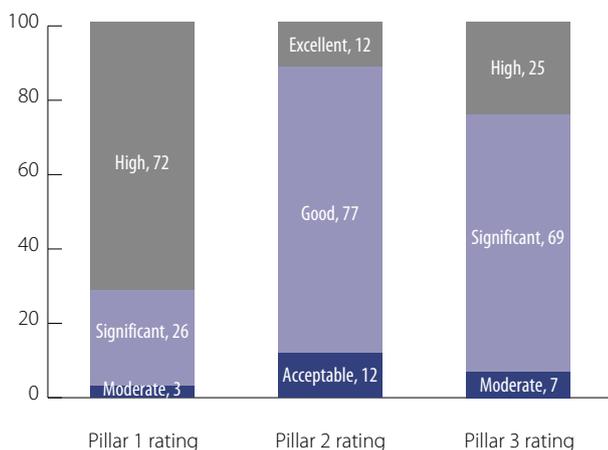
## PROJECT RATINGS AND THE EIB CONTRIBUTION

Under the ReM framework, projects are rated according to three pillars at the time of Board approval.

- **Pillar 1** checks eligibility under EIB mandates and rates the contribution to the European Union and country priorities.
- **Pillar 2** rates the quality and soundness of the operation, tracking project results.
- **Pillar 3** rates expected EIB financial and non-financial contribution, beyond the market alternative.

The ratings are based on a series of objectively measurable indicators and guidelines, while a process of quality control ensures that all ratings are checked for consistency across operations.

### REM RATINGS FOR 2018 NEW PROJECTS



### PILLAR 1 – ELIGIBILITY AND POLICY CONTRIBUTION

Seventy-two new projects were rated “high” under Pillar 1, showing that they are in line with mandate objectives and contribute substantially to both EU priorities and national development objectives. Twenty-six projects were rated “significant” for making a large contribution to either EU priorities or national development objectives. Three projects (including two road network upgrades in the Western Balkans) were rated “moderate”.

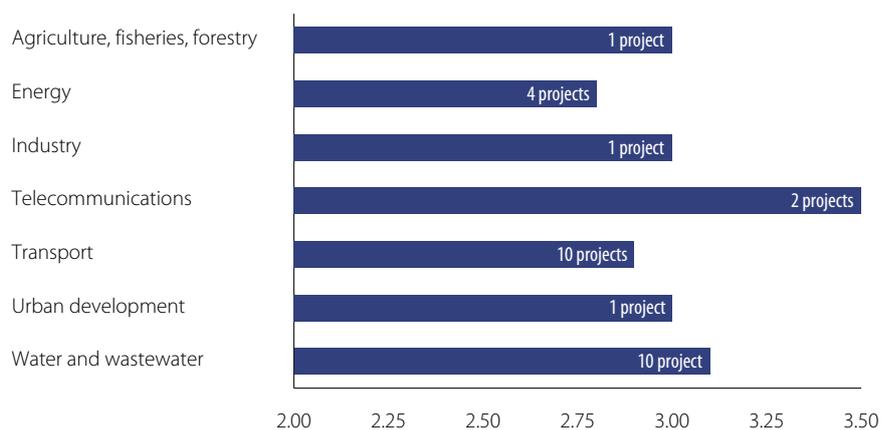
### PILLAR 2 – QUALITY AND SOUNDNESS OF THE OPERATION

The Pillar 2 rating is based on the project’s soundness, financial and economic sustainability, and environmental and social sustainability in the case of directly financed projects. For intermediated operations, the rating is based on the expected results, weighted by risk considerations as measured by the soundness of the intermediary and the quality of the operating environment. Seventy-seven projects were rated “good”, with an average economic rate of return of 10-15% for infrastructure projects; 12 projects were rated “excellent”. Another 12 projects received an “acceptable” rating, often because of high-risk environments or weaker promoters. Notable in this category are the first credit line for small businesses in Belarus, the Ukraine Urban Road Safety programme and the Trans-Anatolian Pipeline project.

Environmental and social impacts are also assessed under Pillar 2 for infrastructure and industrial private sector projects (typically excluding framework loans for smaller projects where the exact final project impact is not specified at appraisal). The rating is based on both the nature of the impacts and the size of the risks. It includes an underlying assessment of the robustness of arrangements to mitigate risks. Projects are rated on the following scale.

- 1 - Marginal:** Not Acceptable, for environmental and/or social reasons – not suitable for EIB financing.
- 2 - Acceptable:** Acceptable with major negative residual environmental and/or social impacts.
- 3 - Good:** Acceptable with minor negative residual environmental and/or social impacts.
- 4 - Excellent:** Acceptable with positive or neutral residual environmental and/or social impacts.

### AVERAGE ENVIRONMENTAL AND SOCIAL RATINGS BY SECTOR



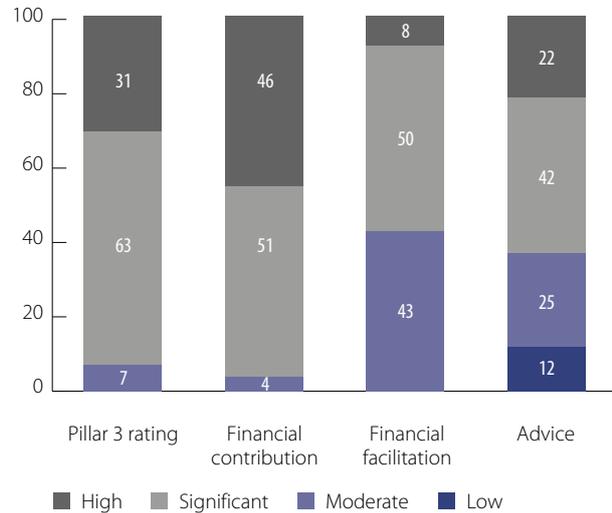
### PILLAR 3 – THE EIB’S FINANCIAL AND TECHNICAL CONTRIBUTION

The EIB not only finances sound projects, but also provides a package of support that covers advantageous financing conditions and technical advice to improve promoter capacity to implement and operate the project. Both of these can be crucial in attracting further finance to the project. This is what we mean by the “EIB contribution”, going beyond the financing that project promoters can obtain in local markets.

The ability of the EIB to make such a strong contribution outside the European Union comes from its strength as an international triple-A-rated lender and from the financial support that the Union and the Member States provide in the form of portfolio guarantees for the External Lending Mandate and the Cotonou Mandate, as well as funding for the Cotonou Investment Facility and a blend of loans and grants. These are vitally important in allowing the EIB to extend its reach to higher-risk projects in less developed countries, and to mobilise technical assistance to ensure the success and lasting benefit of projects.



## EIB CONTRIBUTION – OVERALL RATINGS FOR NEW PROJECTS IN 2018



For projects outside the European Union, the EIB traces its contribution using Pillar 3 of its ReM framework. Different indicators are used to rate “financial contribution”, “financial facilitation” and “advice”, and these are used to calculate an overall rating. For 94 out of the 101 new projects in 2018, the overall EIB contribution was rated “significant” or “high”.

**Responding to financing needs** – “Financial contribution” includes blending loans with grants, providing financing in a local currency and the length of the tenor period (duration of the loan) compared to both the life of the assets invested in and what can typically be obtained in local markets. The EIB’s contribution to new projects was rated as “high” across all instrument types for the length of tenor it provides, and how this matches with the economic life of the projects. Tenors also greatly exceeded what was available in local markets in most cases.

## EIB'S TECHNICAL AND FINANCIAL CONTRIBUTION TO PROJECTS – AVERAGE VALUES FOR DIFFERENT INSTRUMENT TYPES

		Direct and framework loans	Credit lines for SMEs and mid-caps	Credit lines for microfinance	Microfinance investment vehicles	Equity funds
Number of projects		54	20	5	2	20
<b>EIB contribution – overall rating</b>		3.2	2.8	3.6	3.5	3.6
<b>Financial contribution</b>	<b>Overall rating</b>	3.4	3.2	3.8	3.5	3.6
	Subsidy (%)	7.5	2.5	5.0	0.0	0.0
	Subsidy (rating)	2.1	1.3	1.6	1.0	1.0
	Local currency (rating)	1.3	2.0	2.8	2.5	3.1
	Extension of tenor (%)	146	126	104	125	146
	Extension of tenor (rating)	3.7	3.6	3.6	4.0	4.0
	Match with economic life (%)	87	101	280	100	95
	Match with economic life (rating)	3.5	4.0	4.0	4.0	3.8
<b>Financial facilitation</b>	<b>Overall rating</b>	2.5	2.3	2.8	3.0	3.4
	Innovative financing	1.5	1.3	2.6	2.5	3.1
	Attracting private sector financiers	1.8	2.2	2.8	3.0	3.4
	Working with public sector partners	2.8	N/A	2.2	2.5	2.5
	Raising standards	3.4	3.0	2.6	2.5	3.2
<b>Advice</b>	<b>Overall rating</b>	2.9	2.0	3.2	3.0	2.9
	Financial advice and structuring	2.2	1.4	2.8	1.0	2.9
	Technical contribution and advice	3.1	2.2	3.4	4.0	2.4
<b>Weighted average financing tenor (years)</b>		20.6	9.2	14.8	7.0	14.4

Note: EIB contribution ratings for individual projects: 4 = high; 3 = significant; 2 = moderate; 1 = low. The table shows simple average ratings or percentages across projects (apart from tenor made available, which is weighted by approved lending volume).

**Catalytic effect** – Financial facilitation refers to the ability of the EIB to promote higher standards and help to attract other sources of finance. For example, the EIB acted as an initiator and anchor investor in the Green for Growth Fund, aiming to incentivise other investors to join by investing a junior tranche.

As an initiator of the fund, the EIB can influence the adoption of high standards by requiring EU standards be met in areas such as procurement policy and environmental protection, and in many cases providing technical support to achieve this. In the case of the Bangladesh Rail Fleet Modernization project, the EIB technical team provided expert advice on environmental and social standards by ensuring consistency with the EIB's Guide to Procurement and ensured the promoter complied with the EIB's social, environmental and procurement standards and policies, by reviewing and clearing relevant procurement documents.

**Providing advice** – Aside from promoting high standards, the advice provided by the EIB can often help promoters to effectively structure projects in terms of financing instruments, or to improve technical aspects of project design, and enhance the long-term value and effectiveness of our investments. The Bank provides substantial technical support, for instance, through a framework loan in Uzbekistan that is supporting multiple sub-projects to improve water quality and increase the coverage and efficiency of wastewater networks.

In addition to its ReM framework tracking system, in 2017 the EIB introduced a new "ReM TA" system of indicators for assessing the results of technical assistance operations that accompany EIB project financing.

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## EXPECTED RESULTS OF TECHNICAL ASSISTANCE

In 2018, 42 new technical assistance operations came under the scope of the ReM framework. Together these represent EUR 38m of support. The ReM TA system of indicators is being used to track their results.

Nineteen of the new operations support project preparation. They are mainly related to infrastructure projects in the water, energy and transport sectors and could lead to around EUR 1.2bn of EIB lending and commitments of EUR 1.5bn from other financiers. In total, EIB technical assistance will produce 35 feasibility or preparatory studies and deliver 82 technical documents, such as detailed design documents, environmental and social impact assessments, tender documents and procurement progress reports. These are crucial for our further appraisal of the projects as well as for the proper design and adequate tendering of project construction works.

## EXPECTED RESULTS OF 2018 TECHNICAL ASSISTANCE OPERATIONS

<b>Upstream</b> (2 operations)	Studies provided	10
<b>Project Preparation</b> (19 operations)	Studies prepared	35
	Technical documents prepared	82
	% of studies used in EIB project appraisal	55
	EIB commitment to supported projects (EUR m)	1 220
	Financial resources leveraged by supported projects (EUR m)	1 510
<b>Project Implementation</b> (13 operations)	Manuals produced	50
	Consultant-days provided to Project Implementation Units	17 900
	Projects with procurement process enhanced	10
	Projects with quality project cycle management system introduced	13
<b>Capacity Building</b> (8 operations)	People receiving training	4 570
	People receiving on-the-job training	2 050
	Hours of training provided	33 100
	Knowledge outputs produced	334

The 13 technical assistance operations supporting project implementation are expected to provide 17 800 consultant-days to Project Implementation Units, introducing new quality project cycle management systems and, in most cases, improved procurement management processes. An operation in Ukraine, for example, will assist the public utility company “Misksvitlo” in delivering an energy efficiency investment project under a EUR 400m Ukraine Municipal Infrastructure Programme (UMIP). The technical assistance will enable the project to be implemented in an efficient, effective, coordinated and sustainable way. The aim of the project is to ensure cost-effective and high-quality street lighting for the inhabitants of the city of Mariupol by supporting the design of new lighting and the transformation to a new automated switchboard and new lighting sources.

Our eight capacity-building operations mainly support projects in the financial sector. They aim to strengthen micro-finance institutions and banks targeting the SME sector, as well as the small businesses themselves. In total, 33 100 hours of training are expected to reach 4 570 people, with on-the-job training reaching a further 2 050 staff. In the African, Caribbean and Pacific region, training is expected to cover all of the institutions financed. The technical assistance programmes for lending in West & Central Africa and Southern Africa focus strongly on improving the financial literacy of the small businesses we finance, as well as training for financial institutions providing financial services to low income groups. The latter will support the implementation of the Universal Standards of Social Performance Management systems. Among other social goals, this will help financial institutions to track their outreach to women, develop specific gender-based products and target the needs of their female clients. In turn, this will enable women entrepreneurs to have better access to sustainable sources of funding for their businesses. The programme for Southern Africa also proposes to establish networks for women entrepreneurs.

Two upstream operations focus on preparing the ground for possible future projects. For example, the main outputs of an assignment in the Dominican Republic will be the drafting of an Involuntary Resettlement Policy Framework and a Stakeholder Engagement Plan linked to an investment in post-disaster reconstruction activities. The aim is to familiarise the government of the Dominican Republic with the EIB’s social standards, and these deliverables are a pre-condition for proceeding with the investment project.

## THE 2018 CARBON FOOTPRINT EXERCISE

**F**or projects signed in 2018,<sup>13</sup> the EIB Carbon Footprint Exercise estimates and reports greenhouse gas emissions from projects (not only climate action projects) when either or both of the following thresholds are exceeded:

- **absolute emissions** (actual emissions from the project) exceed 100 000 t CO<sub>2</sub>-eq/year;
- **relative emissions** (estimated emissions increases or abatement compared to the expected alternative) exceed 20 000 t CO<sub>2</sub>-eq/year.

Absolute emissions refer to the direct emissions of the project itself (Scope 1 emissions) plus emissions from generation of the power supply used by the project (Scope 2 emissions). Scope 3 emissions (other indirect emissions) are not normally included in project data, except for physical infrastructure links such as roads, railways and metros. Relative emissions are estimated by comparing the absolute emissions with those produced by the status quo.

While relative emissions are important for comparing technologies and projects, the absolute emissions from each project lie at the heart of the EIB's footprinting approach, as these are what will ultimately affect our climate. Individual project-level greenhouse gas data is assessed at project appraisal and reported on the Bank's Environmental and Social Data Sheets. For the purposes of aggregated annual reporting, project emissions are calculated proportional to the volume of EIB financing of each project that year, thus avoiding possible double counting with the reporting of other international financial institutions.

The 2018 exercise included 25 projects (including contracts signed and large allocations approved during the year), representing EUR 2.5bn of EIB lending outside the European Union. The exercise estimates the greenhouse gas emissions from financing these investment projects as 0.4 Mt CO<sub>2</sub>-eq/year, and carbon sequestration from forestry projects as 2.8 Mt CO<sub>2</sub>-eq/year. Estimated savings from financing these investment projects are 1.3 Mt CO<sub>2</sub>-eq/year.

## CLIMATE RISK SCREENING

The EIB has developed a Climate Risk Management System to take forward its work on climate risk screening. This system is integrated into the EIB's project cycle and processes and acts as a framework for the efficient, effective and consistent assessment and reporting of climate risk across the EIB's portfolio.

The initial classification of a project's climate risk considers a project's climate sensitivity, based on the underlying project activities. Projects determined as climate sensitive go through an extra level of assessment, based on their promoter capacity. A further level of assessment is used to determine the extent to which climate risks have been accounted for by the project promoter, and subsequent actions are recommended.

Intermediated lending where the underlying sub-projects are still unknown (e.g. credit lines and framework loans) are not assessed, but country-level information on climate change impacts is highlighted to the project teams, and larger sub-projects under framework loans are checked.

<sup>13</sup> We have reviewed and amended our carbon footprint exercise (CFE) thresholds to capture more projects, as part of our climate strategy implementation. See Version 11 of our GHG Methodologies published in December 2018 and valid for signatures from 2019 onwards.

## RESULTS OF PROJECTS COMPLETED IN 2018

Reviewing the results achieved by the time the project is completed allows the EIB to draw lessons from past project experiences and to continuously refine the tracking of expected and achieved results throughout the project cycle. Many projects have a long implementation period, particularly in infrastructure sectors, but many projects that have been appraised under the ReM framework since 2012 are completed each year. In 2018, 12 infrastructure projects and 17 credit lines for small businesses and mid-caps assessed under the ReM framework were completed.

Seven of the completed projects involved the installation of renewable energy capacity and resulted in the production of 2 360 GWh of electricity in their first year of operation, sufficient to supply some 3.57 million households, largely in line with expectations. The projects included most sub-projects under the three framework loans for renewable energy described on page 29. The Energy Efficiency Co-financing Facility in Turkey achieved some 72 GWh/year in energy savings. One project resulted in the repair of 80 km of flood-damaged roads in Montenegro, and two supported research and development activities in Turkey. Patent registration results are reported in the table below for one of the Turkish projects because of the difficulty in comparing the two projects. A further project supported industrial development through the installation of a packaging facility in Morocco. Together, these projects created 4 300 person-years of temporary employment and just over 600 permanent jobs.

### RESULTS FROM 12 INFRASTRUCTURE PROJECTS COMPLETED IN 2018

Electricity generation capacity from renewable energy sources	1 080 MW
Electricity produced from renewable energy sources	2 360 GWh
Households which could be supplied with the energy generated by the project	3.57 million
Cost of electricity generated with environmental externalities	EUR 71.5/kWh
Annual energy efficiencies realised (GWh)	76.5
Flood-damaged roads reconstructed	80 km
National and international patents registered	161
Employment during construction – temporary jobs	4 300
Employment during operation – new permanent jobs	608

Credit lines are reported as completed when the whole loan amount has been allocated to final beneficiaries and these allocations have been reported to the EIB. The 17 ReM framework credit lines that were completed in 2018 comprised six in Turkey, two in Ghana and one each in Georgia, Kenya, Lebanon, Malawi, Niger, Rwanda, South Africa, Tanzania and Ukraine. EUR 1.74bn was lent to 5 640 SMEs and 251 mid-caps. Over half of the beneficiary companies were microenterprises (with fewer than 10 employees). The average firm size was 43 employees. The average loan duration across firm sizes was nearly four years, longer than that typically available for small businesses in the economies concerned. This lending supported some 252 000 jobs in the beneficiary companies.

Studying these results allows the EIB's results tracking to be refined in the future. For example, the number of jobs sustained is similar to that projected at appraisal, but this masks differences in the way the jobs are divided up at the operation level. Such differences suggest we need to improve the way of estimating expected results and reporting sub-loan allocations, particularly in countries where there is less capacity for reporting such results in the banking sector.

## RESULTS FOR 17 COMPLETED CREDIT LINES

	SME	Micro	Small	Medium	Mid-cap*	All
Total loans (EUR m)	1 290	276	384	630	450	1 740
Total loans (#)	5 640	3 120	1 590	926	251	5 890
Average loan size (EUR 000s)	229	88.4	242	680	1 790	296
Average investment size (EUR 000s)	362	155	355	1 070	2 770	465
Average loan tenor (years)	3.8	3.7	3.7	3.9	4.1	3.8
Jobs sustained	122 000	8 580	32 100	81 700	130 000	252 000

\*Includes six large companies.

## 2018 AGGREGATE LENDING VOLUMES

The “new projects” reported in the section on project results are those for which the first financing contract was signed in 2018. For each of these projects, we report the full approved financing volume and the associated expected results. This covers both the amount “signed” in 2018 and any prospective approved balance to be signed under future contracts.

To avoid double counting of project results for 2018, we do not report the results associated with follow-up contracts signed under projects that have been reported in previous reports (because earlier financing contracts were signed under these projects in previous years). A breakdown of 2018 lending volumes, including the volume of such follow-up contracts, is given in the table below. This methodology is different from that used in the reports before 2014. For this reason, lending volumes and project counts may not always be strictly comparable.



Regions/Instruments	New projects (first signed in 2018)				Older projects (first signed before 2018)	Total contracts signed in 2018
	Total project cost	Funding approved	Contracts signed in 2018	Volume to be signed		
African, Caribbean and Pacific countries	9 316	1 709	1 563	146	16	1 579
Asia and Latin America	10 830	1 956	1 430	526	213	1 643
Eastern Neighbours	1 754	739	632	107		632
Pre-Accession countries	9 468	2 060	1 165	895	307	1 472
Southern Neighbours	9 826	2 584	1 755	829	270	2 025
Local private sector development		2 611	1 930	680	372	2 303
Development of social and economic infrastructure		6 436	4 614	1 822	434	5 048
Climate change mitigation and adaptation		3 296	2 534	767	361	2 895
Regional integration		2 473	1 349	1 125	47	1 396
<b>Total</b>	<b>41 193</b>	<b>9 047</b>	<b>6 544</b>	<b>2 503</b>	<b>806</b>	<b>7 351</b>

Note: the Republic of South Africa is included under ACP. Central Asia is included under Asia and Latin America. Lending for a given project may support more than one objective. Data includes a prorated 15% of lending for the Trans-Adriatic pipeline (85% of the investment is inside the European Union).



## LIST OF NEW PROJECTS SIGNED IN 2018

Project	Region	Sector	Approved amount*	Signed in 2018*	Project cost*	Objective contribution (%)			
						PS	Inf	CC*	RI
Afreximbank Trade and Climate Action Loan	ACP	Credit lines for SMEs	200	200	400	75	25	25	100
Africa Industrialization Fund North Africa	South	Equity funds	13	13	133	100			100
Africa Sustainable Forestry Fund II	ACP	Agri., fish., forest.	27	25	179		100	100	
Agri-Infrastructure and Biomass Power Generation A and B	East	Industry	219	132	454	43	57	34	
Air Traffic Control Upgrade	PA	Transport	45	45	94		100		100
Al Ghadir Wastewater	South	Water, sewerage	69	69	147		100		
Amethis Africa Growth Equity Fund II	ACP	Equity funds	25	25	300	100			
Apis Growth Fund II	ACP	Equity funds	30	31	342	100			
Arbaro Fund	ACP	Agri., fish., forest.	11	9	89		100	100	
Arbaro Fund	ALA		11	9	89				
Arch Africa Renewable Power Fund LLP	ACP	Energy	41	31	203		100	100	100
Argentina Water and Sanitation	ALA	Water, sewerage	75	70	209		100	62	
Bakheng Water Supply Project A	ALA	Water, sewerage	85	35	211		100	5	
Bangalore Metro Rail Project Line R6 B	ALA	Transport	500	200	1 634		100	100	
Bangladesh Rail Fleet Modernization Project	ALA	Transport	110	110	327		100	100	
Banja Luka-Doboj Motorway B	PA	Transport	270	47	565		100		100
Banque Misr SME and Midcaps Loan B	South	Credit lines for SMEs	500	250	1 400	100		2	
Belarus Private Sector Support Belagroprombank	East	Credit lines for SMEs	75	75	210	100		2	
Bogotá Sustainable Transport FL A	ALA	Transport	410	49	3 673		100	100	
Bolivia Mi Agua Water and Sanitation	ALA	Water, sewerage	54	55	111		100	64	
Bosphorus Tunnel Tranche B	PA	Transport	350	150	3 749		100	100	
BRDE Climate Action FL	ALA	Energy	80	80	160		100	100	
Caribbean and Pacific Impact Fin Fac F (Banfondesa)	ACP	Microfinance	7	3.4	80	100		2	

Caribbean and Pacific Impact Fin Fac G (Fondesa)	ACP	Microfinance	7	1.6	80	100	2	
Caribbean and Pacific Impact Finance Facility E	ACP	Microfinance	7	2	80	100	2	
COOPMED II	South	Microfinance	3	3	10	100		
Corridor Cotier Section Sud	ACP	Transport	65	65	170		100	8 100
Corridor VC Mostar South	PA	Transport	100	100	227		100	
Corridor VC Zenica North	PA	Transport	69	50	101		100	
Denham International Power Fund	ACP	Energy	19	13	383		100	67
	ALA		23	17	468			
Drainage Eaux Pluviales Cotonou	ACP	Water, sewerage	50	50	128		100	50
East Africa SME-focused Facility Bank of Kigali	ACP	Credit lines for SMEs	30	30	500	100		2
East and Central Africa Optical Fiber Roll Out	ACP	Telecommunications	16	16	41		100	
East and Central Africa Peff II Banque Rwandaise D	ACP	Credit lines for SMEs	15	15	483	100		2
EB Loan for SMEs, Midcaps and Other Priorities IV	PA	Credit lines for SMEs	60	60	120	70	30	2
Ecoenterprises Fund III	ALA	Equity funds	18	17	90	100		100 100
Ethos Mezzanine Partners III	ACP	Equity funds	17	17	127	100		100
Extension Tramway Rabat Salé	South	Transport	40	40	132		100	100
Fayoum Wastewater Expansion Project	South	Water, sewerage	172	126	395		100	85
FDI MBIL	ACP	Credit lines for SMEs	12	12	24	100		2
Financing Women Entrepreneurs in Ethiopia	ACP	Microfinance	30	30	88	100		
Fonplata Regional Framework Loan	ALA	Urban development	51	51	102		100	40 100
FSMDB SME-focused Facility	ACP	Credit lines for SMEs	4	4	9	100		2
Gambia Renewable Energy Comp 1 2	ACP	Energy	65	57	132		100	43
Great North Road (T2) Upgrade	ACP	Transport	179	110	435		100	100
Green Bond Cornerstone Fund	ACP	Equity funds	8	8	162		100	70
	ALA		72	73	1 460			
Green for Growth Fund III	South	Energy	25	25	500	50	50	100
Green for Growth LCFP	South	Energy	5	5	500	50	50	100
Hunan Forestry	ALA	Agri., fish., forest.	100	100	204		100	100

I And M Bank Regional Financing Facility Kenya	ACP	Credit lines for SMEs	75	16	151	100	2		
IDC Private Sector Facility 2	RSA	Credit lines for SMEs	70	70	140	100	2		
IDF Loan for SMEs and Priority Projects IV – A	PA	Credit lines for SMEs	150	100	200	70	30	2	
Inside Equity Fund	ACP	Equity funds	12	12	51	100			
Integrated Waste Management Programme in Jujuy	ALA	Solid waste	36	36	102		100	55	
Interconnexion Electrique 225 KV Guinée–Mali	ACP	Energy	130	130	430		100	36	
IREDA-Renewable Energy and Energy Efficiency FL2	ALA	Energy	150	150	500		100	100	
ISP Loan for SMEs and Other Priorities IV C	PA	Credit lines for SMEs	80	30	160	70	30	2	
ISP Loan for SMEs and Priority Projects III B	PA	Credit lines for SMEs	50	25	100	100		2	
Kenya Telecom Expansion	ACP	Telecommunications	34	35	79		100		
Kitchener Drain	South	Water, sewerage	219	214	441		100	38	
Land Degradation Neutrality Fund	ACP	Agri., fish., forest.	19	20	126	100		60	
	ALA		19	20	126				
Land Degradation Neutrality Fund LCFP	ACP	Agri., fish., forest.	3	3	121	100		60	
	ALA		3	3	121				
Lao Resilient Rural Roads	ALA	Transport	25	20	60		100	31	
Lebanon Industrial Zones	South	Urban development	52	52	105	50	50	7	
Lebanon Private Sector Resilience Facility	South	Credit lines for SMEs	485	325	1 358	100		2	
Ligne de Crédit Multi-Banques Benin SG	ACP	Credit lines for SMEs	45	12	100	100		2	
Lower Usuthu Smallholder Irrigation II	ACP	Water, sewerage	36	36	123		100	50	
Main Roads Rehabilitation Programme A	PA	Transport	80	40	185		100	100	
MBDP Loan for SMEs and Other Priorities V	PA	Credit lines for SMEs	100	100	200	75	25	2	
Medical Credit Fund	ACP	Health	4	4	43	50	50		
Metro de Buenos Aires Rehabilitation	ALA	Transport	89	91	229		100	100	
Mexico First Renewable Energy Auctions A–C	ALA	Energy	83	73	851		100	100	
Microfund for Women Microfinance Loan	South	Microfinance	4	4	9	100			
Minsk Wastewater Treatment Plant Reconstruction	East	Water, sewerage	84	84	187		100	74	100

Nachtigal Hydropower Plant	ACP	Energy	50	50	1 260	100	100	
NBE Loan for SMEs and Midcaps A	South	Credit lines for SMEs	750	375	2 100	100		2
Nigeria Fertilizers	ACP	Industry	122	106	893	100		
Noor Midelt Phase I – Tranches A and B	South	Energy	387	387	2 676	100	100	
Novastar Ventures Africa Fund II	ACP	Equity funds	13	13	102	100		100
Off-Grid Solar Acceleration	ACP	Energy	21	20	48	100	100	
Port Victoria Rehabilitation and Extension	ACP	Transport	18	18	35	100	10	
Priority Water Supply Investments	ACP	Water, sewerage	100	100	504	100	13	
Private Sector Development and Economic Growth B	South	Credit lines for SMEs	184	20	368	100		2
Private Sector Facility	East	Credit lines for SMEs	50	50	140	100		2
Procredit Loan for SMEs and Other COP Objectives BA	PA	Credit lines for SMEs	170	5	340	100		2
Radiant and Eldosol Solar PV Power Plants	ACP	Energy	48	45	134	100	100	
Railway Nis-Dimitrovgrad	PA	Transport	134	134	268	100	100	100
Red Sea Dead Sea Water Project Phase 1 Tranche A	South	Water, sewerage	260	30	1 026	100	79	100
Réhabilitation Urbaine Tunisie II	South	Urban development	90	77	250	100	5	
RLBH Loan for SMEs, Midcaps and Priority Projects II	PA	Credit lines for SMEs	25	15	50	70	30	2
Route 6 Road Project Kijeve to Peja	PA	Transport	80	80	168	100		100
Saidabad Raw Water Conveyor	ALA	Water, sewerage	40	40	119	100		
Sawari Ventures Fund I	South	Equity funds	10	10	45	100		
Scaling Solar PV Zambia I	ACP	Energy	10	10	39	100	100	
Serbian Inland Waterway Infrastructure	PA	Transport	100	100	204	100	100	
SGRS Loan for SMEs, Midcaps Other Priorities IV C	PA	Credit lines for SMEs	110	50	220	70	30	2
SNIM VIII	ACP	Transport	50	50	119	100		
Sofid – ACP Facility for SMEs	ACP	Credit lines for SMEs	12	12	24	100		2 100
Southern Africa and Indian Ocean SMERF Zanaco	ACP	Credit lines for SMEs	13	13	200	100		2
Substations Reliability Enhancement Programme	East	Energy	136	136	336	100		30

Sustainable Ocean Fund	ACP	Agri., fish., forest.	9	9	46	100	5
	ALA		8	8	38		
Synergy Private Equity Fund II	ACP	Equity funds	13	13	211	100	
Tanap Trans-Anatolian Natural Gas Pipeline I A	PA	Energy	891	236	6 888	100	100
TBC Bank JSC Loan for SMEs	East	Credit lines for SMEs	50	30	140	100	2
Trans-Adriatic Pipeline A***	PA	Energy	225	105	763	100	100
Ukraine Transport Connectivity – Phase I	East	Transport	50	50	110	100	10 50
Ukraine Urban Road Safety	East	Transport	75	75	177	100	
Uzbekistan Energy Efficiency Loan	ALA	Credit lines for SMEs	100	100	451	70 30	100
Uzbekistan Water Framework Loan	ALA	Water, sewerage	100	100	290	100	
Water Supply And Sanitation Programme (TRAMO AD)	ALA	Water, sewerage	73	13	296	100	26
West Africa Microfinance Facility (GCAMF)	ACP	Microfinance	12	12	100	100	2
West and Central Africa PEFF TMB DRC	ACP	Credit lines for SMEs	15	15	180	100	2
West Panama City Sanitation Programme – Chorrera	ALA	Water, sewerage	43	43	497	100	45
Yes Bank (India) Climate Action FL	ALA	Energy	170	80	340	100	100

\*EUR m. Amounts for operations denominated in a currency other than EUR are converted on the basis of the exchange rate applicable at the time of approval (approved amount, project cost) or signature (signed amount). The reported amounts do not include technical assistance or investment grants that the EIB manages alongside its financing. \*\*The 2% applied to standard credit lines signed in 2018 was applied globally and based on an ex post analysis of earlier credit lines, namely of the activities financed at allocation level (financial intermediary's on-lending to final beneficiaries) under similar non-dedicated credit lines in 2014–2016. All climate action data for 2018 is subject to the 2018 Sustainability Report audit.

\*\*\* Lending volumes for the Trans-Adriatic pipeline are prorated at 15%; the project is not included in the project count.

Objective contribution		Region	
PS	Local private sector development	ACP	African, Caribbean and Pacific countries + OCT
Inf	Social and economic infrastructure	ALA	Asia, Central Asia and Latin America
CC	Climate change mitigation and adaptation	East	Eastern Neighbours
RI	Regional integration	South	Mediterranean partnership countries
		PA	Pre-Accession countries
		RSA	South Africa

Operations for which a contract was signed in a previous year (results reported in a previous year)





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GLOBAL IMPACT**

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